

2.7 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the decision to award the contract to Danwood for the Managed Print Tender Contract:

Will the Minister advise whether Danwood was consistently scored lower than at least 2 other competing companies during the assessment process for the Managed Print Tender Contract and if so, on what basis was the decision to award the contract to Danwood made?

Deputy E.J. Noel (The Assistant Minister for Treasury and Resources - rapporteur):

Danwood did not score consistently lower than the other competing companies. Overall against the evaluation criteria, they provided the best option. The high level evaluation criteria used was based on 3 elements and weightings as follows: technical response, 30 per cent; customer feedback from pilot schemes, 20 per cent; commercial proposal, i.e. price, 50 per cent. Further, it is disappointing that the Deputy has not taken up the offer of meeting the procurement team in order to be fully briefed on the Managed Print Project. It is also concerning that the Deputy chooses to be advised by sources not party to the complete process. A detailed understanding of the procurement and associated decision making would have allayed any concerns that the Deputy may have. I repeat the offer for him to meet with the corporate procurement team to gain such an understanding.

2.7.1 Deputy M.R. Higgins:

It might interest the Deputy, I think I have read more documents about this than he has, including internal documents and I will say to him that on 2 of the previous... the Assistant Minister is saying that Danwood scored - and he gave the scores out there - higher than the others. There were at least 2 other assessments - and I have seen them - which Danwood scored not even in the top 3. It should not have even been there but it suddenly miraculously appears in the final tender as the company that comes out highest. I might also add for the benefit of Members, the internal Treasury report is also quite critical of this contract. It shows, for example, unlike what the Assistant Minister for Treasury and Resources said, that this contract he was pleased with its progress and so on, it is highly critical and it even questions whether the savings will be made. Has the Assistant Minister seen the internal Treasury report and is he also aware of these criticisms of that contract?

Deputy E.J. Noel:

I am afraid that this is a case of a little knowledge is a dangerous thing and, again, I implore and invite Deputy Higgins to come in and meet with the procurement team. In answer to his question, I have seen the documentation. I have seen substantial amounts of documentation on this, including the reports that he refers to. I do believe it is a case of having partial information. The Deputy needs to have the full information and therefore again I invite him in. For Members' information, we are providing a substantial amount of information to P.A.C. (Public Accounts Committee) so they can also look at this matter.

2.7.2 The Connétable of St. John:

Is the Assistant Minister happy with a contract of this size going off-Island in the big part and thereby within their calculations of the loss to the Island of manpower, i.e., the many redundancies that are likely to occur - and I was notified only yesterday of possibly some 14 people in one supplier alone being made redundant - were all those figures taken into account when they gave this contract out? Because if one company alone goes to the wall and we have 14 extra people put on the dole, we may be shooting ourselves in the foot. Were all those areas covered please?

Deputy E.J. Noel:

In short, yes, and I can confirm that all on-Island support is done through local labour so there has been no importing of labour from outside the Island to support this contract.

2.7.3 The Connétable of St. John:

I do not think the Assistant Minister quite got my message across. The idea was did they look at any redundancies that might come out of putting this contract off-Island, given the amount of work that was done on-Island previously now will be done off-Island? Was that put in the equation?

Deputy E.J. Noel:

Any contract of this nature, and it is probably the largest contract of its size within the Island, whoever wins that contract will have secure employment for their employees. Unfortunately, those who do not win the contract may not have the same case. This contract is being supported by local staff living and working in the Island.

2.7.4 Senator L.J. Farnham:

I am presuming that the papers in relation to these sorts of issues are commercially confidential. Is the Assistant Minister therefore surprised if not concerned that the Deputy is claiming to have read all of these papers?

Deputy E.J. Noel:

Concerned but not surprised.

2.7.5 Senator S.C. Ferguson:

In view of the fact that Jersey Property Holdings are dealing with a co-ordinated group of local suppliers working together, has the Assistant Minister not considered that such an approach would have been appropriate in the case of photocopiers and printing? Has he also not considered that with the breadth of experience that Deputy Higgins has in purchasing that it might well have been worth taking his comments a little more seriously? Sorry, there are 2 questions there.

[10:30]

Deputy E.J. Noel:

I do take Deputy Higgins seriously, and that is why I invited him on repeated occasions to meet with the Corporate Procurement Team so he can have a full understanding and see all the documentation and then he can make up his mind in an informed way. With regards to Property Holdings and using local labour, that is exactly what has happened in this case for all of the support of this contract is done locally.

2.7.6 Senator S.C. Ferguson:

The Deputy has not answered the question. I understand that with some of the maintenance there are 2 or 3 local firms who are working together in co-ordination and has the Assistant Minister not considered looking at this sort of arrangement for something like printers and photocopiers which are fairly basic?

Deputy E.J. Noel:

They are not basic pieces of equipment any more. They involve a high level of I.T. (information technology) input. We do not manufacture such equipment on Island, nor would we wish to. Therefore, it is the support and maintenance of such equipment that is important and that is what is taking place on Island.

The Deputy Bailiff:

Final supplementary.

Deputy M.R. Higgins:

Deputy Vallois has a question and I will ask for supplementary, if I may.

2.7.7 Deputy T.A. Vallois of St. Saviour:

Will the Assistant Minister advise when the Public Accounts Committee will be furnished with the relevant documents further to my request over 2 weeks ago?

Deputy E.J. Noel:

I will look into that. I thought the P.A.C. had been sent the information. The individual that deals with this is on holiday at the moment so I will check on that and make sure the information gets to PAC shortly.

2.7.8 Deputy M.R. Higgins:

Will the Assistant Minister confirm a number of facts? First of all that the £250,000 saving attributed to this contract are figures supplied by Danwood and not from an internal or any assessment made by the States. Secondly, that the States are going to be paying at least £47,000 in cancellation charges to one of the other suppliers for machines that have been taken out early as a result of this contract and there could be many others. In fact, can he also confirm that the States are trying to keep some of the existing supplies of machines to avoid those costs? Finally, does he not think that the whole process which he claims has been handled under the O.G.C. (Office of Government Commerce) rules has not in fact been handled under the O.G.C. rules for tendering?

Deputy E.J. Noel:

As far as I am aware, the O.G.C. rules have been complied with and the body in the U.K. has advised extensively on this contract. Again the only way to allay the Deputy's fears on this is for him to come and meet with the individuals concerned. With regard to the savings, Treasury has put their slide all over those savings and are happy that those savings will be met. This project is a large project and is being rolled out in phases so, yes, at this current moment in time we are using other equipment from other suppliers and those contracts are being phased out. In some instances, it has been necessary because of the nature of those contracts to buy the States out of those contracts.

The Deputy Bailiff:

I suspect you are about to come back either with another question or a speech and we have finished that part of the questioning.

Deputy M.R. Higgins:

I think the Deputy may have inadvertently misled the House. The Treasury Report does not state, as he says, that they are going to meet the savings. They have major concerns about whether they are going to meet the savings.

Deputy E.J. Noel:

That is contrary to the information that I am given.

Deputy M.R. Higgins:

I will publish the reports.

The Deputy Bailiff:

It is clearly not going to be resolved this morning. The next question is Senator Ferguson to ask of the Minister for Health and Social Services.